

Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version:	CSHB 229(EDC)
Fiscal Note Number:	3
(H) Publish Date:	4/5/2022

Identifier: HB229CS(EDU)-EED-ACPE-2-23-22
Title: ALASKA HIGHER EDUCATION INVESTMENT
FUND
Sponsor: JOSEPHSON
Requester: House Finance

Department: Department of Education and Early Development
Appropriation: Alaska Commission on Postsecondary Education
Allocation: Program Administration & Operations
OMB Component Number: 2738

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2023 Appropriation Requested	Included in Governor's FY2023 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Personal Services	60.0		60.0	60.0	60.0	60.0	60.0
Travel							
Services	38.0		8.0	8.0	8.0	8.0	8.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	98.0	0.0	68.0	68.0	68.0	68.0	68.0

Fund Source (Operating Only)

1004 Gen Fund (UGF)	98.0		68.0	68.0	68.0	68.0	68.0
Total	98.0	0.0	68.0	68.0	68.0	68.0	68.0

Positions

Full-time							
Part-time	1.0		1.0	1.0	1.0	1.0	1.0
Temporary							

Change in Revenues

1004 Gen Fund (UGF)	98.0		68.0	68.0	68.0	68.0	68.0
Total	98.0	0.0	68.0	68.0	68.0	68.0	68.0

Estimated SUPPLEMENTAL (FY2022) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2023) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 03/01/23

Why this fiscal note differs from previous version/comments:

Analysis modified to address changes in the analysis related to the adopted CS.

Prepared By: Sana Efird, Executive Director
Division: Alaska Commission on Postsecondary Education
Approved By: Lacey Sanders, Administrative Services Director
Agency: Department of Education & Early Development

Phone: (907)465-6740
Date: 02/23/2022 04:00 PM
Date: 02/24/22

**REPORTED OUT OF
HFC 04/04/2022**

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION

Analysis

This bill renames the Alaska Higher Education Investment Fund to the Alaska Higher Education Investment Trust Fund (HEITF) and removes the fund (HEITF) from an account of the General Fund and establishes the fund as a separate fund of the Alaska Student Loan Corporation (corporation). The bill adds funding agreements for participants in the Washington, Wyoming, Alaska, Montana, Idaho (WWAMI) medical education program, along with funding for the Alaska Education Grant and the Alaska Performance Scholarship as a purpose for the fund. Additionally, the Alaska Commission on Postsecondary Education (commission) may use the money in the account without further appropriation. The commissioner of revenue is a fiduciary of the fund and is directed to invest money in the fund to yield competitive market rates. Department of Revenue would still determine the market value of the HEITF and calculate the seven percent available for distribution of financial aid.

Fiscal impact for this bill would include possible additional accounting, administration, and compliance efforts associated with accounting for and reporting of an additional fund and creation of a possible subsidiary of the corporation; additional audit fees associated with additional audit functions; additional legal costs associated with correct application of the bill language and establishment of a legal subsidiary legal entity.

Ongoing costs associated with this bill include*:

-Additional part-time Accountant III position	\$60.0
-Annual Department of Law legal fees	\$5.0
-Annual audit fees	<u>\$3.0</u>
TOTAL	\$68.0

One-time cost:

-Initial Department of Law legal fees	<u>\$30.0</u>
TOTAL	\$30.0

*Please note: Since there are no funds in the Higher Education Investment Funds (HEIF) due to the failure of a reverse sweep, the fiscal impacts are reflected as unrestricted general funds. If funds were appropriated to the HEIF, the fiscal impact would be charged to the HEIF.